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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA

IN RE:

SIMPLY ESSENTIALS, LLC,

Debtor(s).

CHAPTER 7  
CASE NO. 20-00305

APPLICATION FOR  
EMPLOYMENT OF APPRAISER,  
AUCTIONEER OR AGENT

1. The undersigned trustee reports his proposed employment of Heritage Global Partners, Inc., 12625 High Bluff Drive #305, San Diego, California 92130 ("Heritage") and Harry Davis LLC, 1725 Boulevard of the Allies, Pittsburgh, Pennsylvania 15219 (together with Heritage hereinafter called Brokers) as the brokers/auctioneers to market and sell the Property described in this Paragraph. It is contemplated that Brokers will market the property as a whole and as a turnkey operation for a period of time, anticipated to be approximately 60 days, and in the event that a buyer is not then located, or in the event that the buyer does not desire to purchase all of the Property, Brokers will conduct an auction of the Property.

- a. Real estate located at 901 N. Main Street, Charles City, Floyd County, Iowa (i.e. the processing plant and office);
- b. Real estate located at 300 Lawler Street, Charles City, Floyd County, Iowa (i.e. the parking lot and live shed);
- c. Machinery and equipment located at the real estate, consisting principally of specialized processing equipment;
- d. Office equipment, furniture and fixtures located at the real estate;
- e. Supplies and packaging materials;
- f. Any trademarks, website domain, and other intellectual property (but not including ARKK Food Company - Terra license, accounts receivable, notes receivable, other rights to the collection of money, and causes of action); and,
- g. For the purposes of this application, all rolling stock of the Debtor which was not secured as of the commencement of the bankruptcy case is NOT part of the assets to be sold.

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2. The terms and conditions of the employment are set forth in the attached Exclusive Auction and Sale Agreement. The proposed terms and compensation are summarized as follows:

- a. For a turnkey sale, Brokers shall receive a commission of five percent (5%) of the gross sales price of the Property, provided that the commission shall be reduced to three percent (3%) in the event that the Minnesota Growers Group or Pittman Family Farms is the successful purchaser. In addition, Brokers shall advance all expenses necessary to prepare, market and conduct the turnkey sale process, and shall be entitled to \$25,000.00 for expense reimbursement (the Turnkey Allowance). In the event that a turnkey sale does not occur, the Property will be sold by auction.
- b. For an auction sale (if necessary), Brokers shall charge each successful auction bidder their standard buyer's premium (not to exceed 18%) as compensation for auction services. Brokers will be responsible for and shall pay all expenses incurred in the set-up, advertising, marketing and sale of the Property. Brokers shall receive an additional \$15,000.00 in expense reimbursement from the auction sale of the Property (in addition to and separate and distinct from the Turnkey Allowance).
- c. Brokers will advance all expenses and shall be required to itemize or justify such expenses. The bankruptcy estate shall be obligated to pay a commission and expenses under this compensation arrangement only from the sales proceeds of a turnkey sale of the Property, or an auction sale of the Property.
- d. The proposed compensation to be paid by the bankruptcy estate is anticipated to be less than ten percent (10%) of the gross sale price.
3. The proposed Brokers have disclosed to the undersigned the following connections with the Debtor(s), creditors, or any other party-in-interest: (a) Broker had discussions with the Debtor and the Debtor's owners, and sought a buyer of the Property of the Debtor, prior to the commencement of this case. Broker no longer has any such relationship with the Debtor or the Debtor's owners, (b) Broker has a provisional agreement with secured creditor FarmerMac to sell the property to which FarmerMac is secured in the event that FarmerMac submits a credit bid and acquires the property.

I certify that on this date, this Application were served on the United States Trustee for review, and a copy was served on the Debtor, Debtor's counsel, and all creditors or other parties-in-interest who have filed a request for notice pursuant to Local Bankruptcy Rule 2002-1(b).

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DATED: March 17, 2021

/s/ Larry S. Eide  
Larry S. Eide, Trustee (AT0002317)  
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RULE 2014(a) VERIFICATION

The undersigned named in the foregoing Application declares under penalty of perjury that the foregoing is true and correct according to the best of my knowledge and belief.

DATED: \_\_\_\_\_, 2021

DocuSigned by:

*Nick Dove*

Nick Dove, President  
Heritage Global Partners, Inc.

*Leonard A. Davis*

Leonard A. Davis, President  
Harry Davis LLC

ACTION OF THE UNITED STATES TRUSTEE

  X   I Agree

       I do not Agree

DATED:

DANIEL M. MCDERMOTT  
UNITED STATES TRUSTEE  
Region 12

By: .s. Janet G. Reasoner

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ORDER

Upon the foregoing Application and Recommendation and for cause shown, and pursuant to the provisions of Title 11, United States Code Section 327,

IT IS ORDERED, that Heritage Global Partners, Inc., 12625 High Bluff Drive #305, San Diego, California 92130 and Harry Davis LLC, 1725 Boulevard of the Allies, Pittsburgh, Pennsylvania, 15219 may be and hereby are authorized to act as broker/auctioneer for the bankruptcy estate, subject to the limitations provided for the Title 11, United States Code Section 328.

DATED AND ENTERED

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Thad J. Collins, Bankruptcy Judge